GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:7269
ANSWERED ON:13.05.2005
NRI INVESTMENT
Mandal Shri Sanat Kumar

Will the Minister of FINANCE be pleased to state:

(a) the details of NRIs investment made during the last three years, State-wise and Sector-wise;

(b) the present guidelines existing on NRI investment; and

(c) the details of offers received from the NRIs during the year 2004-05?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM):

(a) A statement on NRI investment approval, state and sector-wise during the period January 2002 to February 2005,is enclosed.

(b) The general policy and facility for Foreign Direct Investment (FDI) as available to foreign investors/companies are fully applicable to non-resident Indians (NRI) as well. In addition, Government have extended additional opportunities for NRIs which include
(i) investment in domestic airlines upto 100%, and (ii) investment by individual NR! beyond 24% in small scale industries provided they do not have a stake in any other industrial undertaking. NRIs are allowed also to make bulk investment for revival of sick unit to the extent of 100%. They are also allowed to invest without any limit on non-repatriable basis in Indian companies and proprietary/partnership concerns subject to the investee company/firm not being engaged in agricultural plantation activity, real estate business, chit fund or Nidhi company activities.

(c) The amount of NRI investments approved under both Government and automatic routes for the calendar years 2004 & 2005 is US$ 409.23 million.